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Management's Number One Job:

Sound Human Relations

There is no hedging on the fact that management's primary function—today, tomorrow, and the day after tomorrow—is to build and maintain a profitable enterprise. Today the goal of maintaining a profitable and free enterprise gives human relations top priority as management's number one job.

To some people, human relations means gold watches after twenty-five years of service, a "nurse" to counsel a fretting employee, an occasional letter from the boss. To others, these are just the frills.

What then are the fundamentals of sound human relations?

POLICY, says Austin S. Igleheart, President of General Foods Corporation. "I see the writing of industrial relations policy as conducive to production, which we must increase; profits, which we must maintain; personal welfare, which we must enhance . . . if industry and country are to endure."

ORGANIZATION, says Gwilym A. Price, President of Westinghouse Electric Corporation. "Management uses organization as a framework for getting essential coordination and control and for carrying out its plans. If the structure is soundly designed and put together, the work people do is divided into logical functions and combined into proper relationships. . . . The result is the efficient, economical and effective application of human effort toward the common goal of the enterprise."

COMMUNICATION, says Neil McElroy, President of the Procter and Gamble Company. "We treat communications not merely as a device of training or a novel program of visual education, but as *the way we work with our people*. . . . Sound policies—something worth communicating—passed on to employees, and their reactions reflected back through man-to-man communication bring confidence, mutual understanding and a vigorous, cooperative operation."

These three basic areas of sound human relations were outlined and analyzed in talks before The Conference Board's 337th meeting in New York on January 15, with Neal Dow Becker, Chairman of the Board of the Intertype Corporation, presiding as chairman. Because of the cogency of these talks, put into perspective by the Board's President, John S. Sinclair, this special issue of the *Management Record* reproduces them in their entirety.

But There's Always Statistics

While the regular departments have given way this month, the labor statistics needed by Associates are all here: "Review of Labor Statistics," page 57; "Wage Adjustments," page 61; "Significant Labor Statistics," page 60.

Management's Number One Job: Human Relations

Introduction

by John S. Sinclair

President, National Industrial Conference Board

THREE distinguished industrialists are going to help us analyze industry's number one job today—human relations. By way of setting the stage for their analysis, I found myself wondering how the concept of the number one job has changed since 1916 when THE CONFERENCE BOARD was founded.

Even in those days, and many of us are inclined to forget this, most of industry wanted to be a good and respected citizen in the community. Among the very early Conference Board reports one finds such studies as "Hours of Work Related to Health of Workers," "Rest Periods for Industrial Workers," "Health Services in Industry," "The Physician in Industry" and many others having to do with improving the welfare of the industrial worker. But it is probably true that the primary emphasis was placed on—and that the number one job in those days was—increasing productive efficiency.

It was the day of the engineers: the Gantts, the Taylors, the colorful "Cheaper by the Dozen" Gilbreths. The idea behind this "scientific management," however, was by no means entirely selfish. It was reasoned that by increasing productive efficiency, the standard of living of everyone—wage earners as well as investors—could be greatly improved.

I think it would be true to say that increased awareness of industry's obligation to the worker characterized the 1920's. But it is probably also true that, because of the rapid development of small companies into large corporations in those years, an impersonal relationship tended to develop between employer and employee. In other words, although employee relations improved somewhat in that period, we can now see, with the benefit of hindsight, that they did not improve enough. As a consequence, the climate was right with the advent of the great depression for industry to become the "whipping boy" of some segments of government, many politicians in and out of government, and some leaders of self-interested groups.

And now, ever since World War II boosted us out of that great depression, we have listened to black warnings about the consequences of the next serious slump—whenever, and if ever, it comes. Some of these possible consequences are more fearful than others. The most dreadful of all to contemplate is a possible loss of freedom. A loss of the freedom that has made this nation the most powerful and wonderful nation in the world. A loss of freedom that would doom private ownership. A loss of freedom that would thereafter stop you and me from making decisions which we have grown up to look upon as simple, personal, and commonplace.

These warnings stem from a belief that in any future period of distress, the John Jones's and the Mary Smith's may lose confidence and faith in these freedoms, and reach out for glittering substitutes.

There is no question, in my mind, that this *could* happen. But I have confidence and faith that it does not have to happen!

Recently, we have had a series of different warnings. Ever since the great upheaval on November 4, 1952 (an upheaval which in my opinion was as much spiritual as political), new warnings have been aimed directly at the members of American management. Most of these warnings begin with an implied rebuke—a rebuke based upon the observation that management in this country failed a long time ago to provide sound leadership, especially in the field of human relations. And, as a result, an administration generally "unfavorable" to management was voted into office, where it entrenched itself for twenty years.

Then, to these warnings, the additional criticism is added that management failed to distinguish itself in leadership during that long, twenty-year period. A frequent implication here is that only the politicians in Washington had any real interest in the lot of John Jones and Mary Smith.

But, say the admonishers, beginning January 20, 1953, the chances are that management will have a more "favorable" administration in office. Then the warning follows that management has just four short years in which to prove its capabilities. Four short

ears to prove that it is worthy of "favorable" admin-trations in the future. Four short years to display ood leadership, to give abundant evidence of intelli-ent, broad-gauged management.

Some of the warnings are more explicit. They point the disasters that can befall this country and its ay of life if management turns its back on the prin-ples of sound personnel administration. They point the great need for executives, particularly chief xecutives, to concern themselves with the attitudes f the people who work for them, with ways of improv-g the day-to-day experiences of people at their places f work, with ways of achieving harmony. In short, ith ways of releasing the kind of willing effort that omes only from mutual understanding, mutual re-pect, and mutual confidence.

But from our constant stream of contacts with top xecutives at The Conference Board, we long ago educed that a large number of chief executives really ant the best human relations in their companies. hey want labor peace, satisfied employees, harmoni-us relations and the release of willing effort—and not ust because these things make for an efficient, profit-ble enterprise. But, as some company presidents ave put it to us, they want them because they are he *right* things to have.

Over and above this, we find a growing realization n the part of heads of companies that, regardless of lepression or boom, free enterprise in this country will ise or fall with the kind of experiences that some 60 nillion people enjoy or suffer at the places where they vork. These executives fully appreciate the impor-ance, the dignity, and the uniqueness of the indi-idual.

Many of these enlightened executives freely admit hat they do not have the kind of human relations hey'd like to have in their companies. They have not et, in every case, been able to supplant conflict with iarmony; to replace indifference and resistance with villing effort and teamwork; to drive out suspicion vith confidence, and contempt with respect.

So, more admonitions and rebukes are not going to ielp, because these men already want to achieve pre-isely what the admonishers are talking about.

But even these executives cannot secure good human relations merely by purchasing and installing a long list of personnel techniques, plans and systems. Many of the people whom they have hired for this purpose either do not themselves know, or have neglected to point out in clear, unmistakable terms that there are some basic, essential elements which, by their very definition, must come first.

We know a great deal, for example, about such things as job evaluation, psychological testing, attitude surveys, merit rating, medical programs, pension plans, wage incentives, training programs, bulletin boards, paid vacations and contracts with unions. Most companies associated with The Conference Board have all of these things and more. But we find that relatively few companies know very much about or have cast more than a passing glance at:

- Clear-cut statements of policy
- Sound organization
- Effective communication

Without these three elements, experience shows that no company can approach its maximum efficiency.

This discussion of human relations is devoted to and built around these three essentials. In a way, I suppose we have looked at it rather like the football coach who goes back to fundamentals when his team is not playing up to its full potential because he knows there is no substitute for basic essentials like a rugged block and a crashing tackle. This discussion, like his, is a "back-to-the-fundamentals" session.

Let me carry that analogy one step further. No matter how experienced or able the individual football players may be, the coach knows that when he takes them into a "back-to-the-fundamentals" session, he must begin at the beginning. He must begin by showing what a good block and a smashing tackle really are. Similarly, in planning this "back-to-the-fundamentals" session, we have asked these company presidents to be sure to identify clearly and precisely what the essential is that he is talking about. As these men unfold their stories, please remember that, in each case, he is talking—not about a personnel technique, not about a personnel procedure, or a system or a personnel gimmick—but rather about the three very essential fundamentals of management's number one job.

Management's Number One Job:

Policies—To Guide Industry's People

by Austin S. Igleheart

President, General Foods Corporation

ONE MORNING not long ago, a Washington man parked his car near a government building in a lot where the sign said, "All-day Parking—35 cents." At lunchtime he asked the wide-awake boy at the gate if he could take his car out and put it back in the lot again without paying a second time.

"Listen, Mister," the boy said, "every car coming in has to pay 35 cents. You can't argue with me; I ain't on the policy-making level."

Evidently I am on the policy-making level. So apparently you can argue with me. But I get to argue with you first.

In talking about personnel policy the other day, a group of us got out the dictionary. The word policy, says the book, sometimes means, "a method of gambling by betting that certain numbers will be drawn in a lottery." A good wordhound says that that meaning is the underworld's way of trading on the fine standing that "policy" has otherwise.

Ethics, religion, morality, policy—you can see how the word falls into a list of basic concepts.

I particularly like to remember that policy means "wisdom in the management of affairs." We can trade pretty well on that meaning in discussing the writing of personnel, or industrial relations policies.

Effective industrial relations must begin with policy. And that policy must exist as such, whether it's carried around in a man's mind, put into print, or carved in stone or metal. You'll find three American statements of policy on almost all of our coins: "E Pluribus Unum"; "In God We Trust"; and "Liberty."

These days, companies like yours and mine are trying to get personnel policies down in black and white. Aside from the matter of profitability, we're writing such policies for one mighty good reason. I'll get to that reason through the words of S. Sloan Colt:

> "[An outstanding authority] holds that the best chance of saving the great American ideal of freedom and individual initiative from the growing threat of collectivism or socialism, lies in the hands of business managements in our country. While good government is essential, I feel that when the chips are down, democracy is going to be won and kept in the day-to-day experiences of people in the places where they work. A forward-looking program of personnel administration is essential to this end."

Sloan's words tell me we are writing our policies now because the better formulated they are, the more far reaching their results here at home and their implications abroad.

One drawback to the writing seems to be confusion over what such a policy is. Some people like to argue the differences there are among terms like policy, principle, procedure, code, creed, and so on. But I'm certainly not going to waste your time on them here.

An industrial relations policy, for my purpose, means: A statement of the kind of working relationship you intend to maintain among the people of your company, with some outline, very likely, of the means by which you expect to maintain that relationship.

If you want to vitalize that idea, you can go the full length of your ability and genius. And heaven help you toward perfection itself.

Understand, there's good policy and bad. Enough to say here that an industrial relations policy can be bad in the long run for all concerned, even though momentarily good for a company's selfish interests. That makes it an expedient.

A sound enduring policy cannot allow for your own expediency or anyone else's whimsical action.

Still, I dare say a bad policy is better than none at all. You'll find the bad in it soon enough. And at least you've made the start and can move over toward the good. It simply doesn't pay to be caught without a policy to act upon. That's clear from some of our recent governmental history.

You may recall that a former undersecretary of state tried to argue foreign policy with Harold Stassen. "We couldn't have a foreign policy [at the time]," said the undersecretary, "things were changing too fast." And Stassen came back with: "I see. You just don't understand what I'm driving at." What Stassen was trying to drive home is the fact that any policy worthy of the name is firm and enduring because it approaches immutable truth, regardless of minor changes of the times.

There are companies that have said: "Oh, we've never bothered to set down a personnel policy because we have a good union contract." Granted the need of a contract. But by nature it isn't a personnel policy. For a union contract is, say, just a temporary affair, aimed at today chiefly, tomorrow maybe, but not at the permanent fundamentals of human relationships.

Remember, you're striving for a concept so basic that no one will deny its legitimacy as a statement of relationship among people.

There is too much of a tendency to regard a policy as just something with which to fight unions. Actually, it can and should be a vital part of a management method. With a policy of worth, you can, from time to time, audit the kind of industrial relations you have. You can tell whether you're running the kind of business you want to run—and how proud you are of it.

But let's approach the actual writing of a policy from the viewpoint of the people involved. Of course, you're writing company philosophy. And a prime consideration is that the philosophy be workable in the interest of your enterprise. But in its final, or most broad application, an industrial relations policy must be seen as directed toward the benefit of people, that is, the public.

It is well known that manufacturers go into the open market for materials. I see no reason why we shouldn't give equal play to the fact that we go into the open market for the services of people. I mean the kind of people we need, the kind of people we want to work with for the benefit of all concerned, including the consumers of our products.

Let's be frank about expecting a return on our investments in the formulation of personnel policies. We seek to improve the quality of our work force. That is, we take measures to attract the stable type of employee, to stimulate cooperation and loyalty, and to reduce turnover and absenteeism. In short, we adopt a policy to promote greater efficiency within our organization. And that efficiency eventually results in benefits for the public.

The writing of a company policy proceeds on the assumption of consistent honesty and fairness to all.

"I look forward to the time when the four goals of all industry personnel may be set down this way:
- **Identification with service to the public**
- **The economic welfare of the company**
- **Recognition of individual dignity and province in occupation**
- **Preservation of our system of free enterprise and representative government."**

"Understand, there's good policy and bad. Enough to say here that an industrial relations policy can be bad in the long run for all concerned, even though momentarily good for a company's selfish interests. That makes it an expedient. A sound, enduring policy cannot allow for your own expediency or anyone else's whimsical action."

In our enterprise there are no special interests. Our policy will neither state nor imply that what is right in one instance may be wrong in another. Our policy will not be right simply because we who put it together think it is right. It must be so right that everyone will see it that way.

And here we are, right back to the people again. We will always be answering to them.

Oh, we haven't time here to go into all the rules for writing an industrial relations policy. Even with all the rules at hand, you who do the writing would still have to feel and experience what it is you want in your own individual policies. But there are a few pointers to help fresh starters:

Find out what you want your company to live by, what ethical standards, what human values.

Find out how you want your employees to live in your plant and its community. (It isn't enough that they can say "this is a good place to work.")

Write what you mean, and mean what you write.

If you have trouble getting started, I suggest you set down your own adaptation of the Golden Rule and see what concept of industrial relations you can build on that. Just remember not to embroider your own prejudices.

It's good policy anytime to think things through. Thinking industrial relations through is difficult and tedious. In my company, we revised the statement of our policy about sixteen times before putting it into print. All the executives of a Chicago company met one hour before work every morning for a solid year in working out a personnel policy. That's thinking things through. But, as is the case in a number of other companies I know, once these executives had a policy, they wondered how in the name of Ned they ever got along without one.

It's always difficult to think in broad long-range terms. And before you're through you have to be as sure as possible that every word, every semicolon, every comma will stand up under criticism and time.

No one word holds exactly the same connotation for any two persons. So the writing of a policy presupposes a diligent and conscientious test of what you have set down. Let a representative group of your own people be your guinea pigs. They're the ones who have to fathom your real intent.

A test like that is one step in communication. I

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know, Neil McElroy will discuss that subject. But I do want to make this one comment: Communication among company personnel is not a telegram. It is a way of living. Every one of us here knows men and women who are so accustomed to that way of living that their communication practically takes care of itself.

By now most of us know that it pays to listen to our employees and to the communities of which they are part. Therefore, whether put down in black and white or tacitly accepted by management, a clause relative to listening might well be a part of the policy concept.

I want to say, too, that a company needs to entrust its industrial relations to a man who is close enough to management to help keep its thinking straight—and of sufficient stature to do just that. Furthermore, industrial relations are to be viewed not only as a service of a personnel department, but as a line responsibility, too. These last two observations are pertinent to organization—Gwilym Price will discuss that—but they are also of importance in considering policy.

Up to now, we have touched on both the writing and the application of policy. Let me add that the formulation of a live industrial relations policy is only the beginning. You have to keep it alive. And don't think that job is ever going to end. In the very nature of our industrial economy, no such policy can be static. Nor does an industrial relations policy stand apart from any other policy or policies a company may write. It is to be integrated with them.

Circumstances will in part determine the application of your policy. The enactment of a new law, and the changing forces of local conditions, for example, will cast new light on your "platform," and may even require revision of it.

My company has a pocket-size book, called "Employee Relations," that every one of us keeps close at hand. It is General Foods' statement of policy. A foreword says:

> "Principles and practices in the field of personnel relations are subject to change and growth in the light of experience. . . . Revisions will be made as changing conditions may from time to time require."

We have revised our printed policy several times, I admit. Chiefly, we've simplified its wording. But don't get the idea that you can revise policies any old time. Write them for keeps; revise them with the utmost care.

With each of our revisions, we have become more assertive that all the employees of our company are able, thinking people entitled and urged to make up their own minds about their individual business relationships.

The last paragraph in the book now reads:

> "This is a statement of broad principles for which the management of General Foods stands. The wide diversity of conditions under which our numerous units operate necessarily requires that local procedures will vary from unit to unit. But in every instance such local procedures must conform to the foregoing corporation policy."

You may recall that General Foods, in keeping with the business trend, has been decentralizing its operations. Well, we certainly are not decentralizing our corporate personnel policy. We need that more than ever. We are awfully glad we have it to help unite the effort of our whole company of people.

In most any case of union negotiation, you may become acutely aware of the more controversial clauses in your company policy. At least that is our experience at General Foods. An attempt was made to force one of our operations to forsake a corporate standard. We asked ourselves if we could live decently by what we had written, and finally decided that we could and that we would.

It was to us so basic—as nearly acceptable universally as we could make it—that we announced we would not forsake it even if we had to close up the operation involved. But I can tell you that you don't take such a course without a rugged session with conscience.

There's another current chapter of our company story that is to the point here. At another location, we have three separate units within the same boundary fence. The two trade unions we work with there were negotiating for a hike in pay. Our stated policy on wages begins:

> "General Foods intends to pay wages in each of its plants and offices as good as prevailing for similar work under similar conditions in the community where such plant or office is located."

We therefore announced that any rise in pay settled

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upon for any one or more of the operations involved would necessarily apply to all three.

One union accepted our offer of an hourly increase. The second union is holding out for a higher rise. Policy says: No, it's going to be the same figure the first union accepted. And that's where we are standing. It isn't that we've got our back up. It's that we're standing by a policy we believe to be just in the long range for all concerned.

I find there's a temptation here to go on discussing policy at work. But let me go back to a question I no more than touched on at the outset:

Why all the attention to writing industrial relations policies just now?

Well, you know how American companies have grown up in the past hundred years or so. Big or little, so many of them just grew up like Topsy. A man or a group of men had a workable idea and made it work to company profit.

Somewhere in the back of one man's mind there was a hazy concept of what he wanted his company to be like, what it would do, and what kind of experiences his employees would have. Or a group of men actually discussed such things until they were in mental agreement—though hazy—as to policy. And perhaps for their span of life the individual or the members of the group, by sheer force of leadership, could carry that policy around in mind and make it work after a fashion.

But now business is more articulate. It needs to take stands that do not depend on the mind of one man or the minds of a group for their perpetuation. To be handed down, a policy, any policy of note, had best be in writing.

It is high time that businesses large and small got their complete philosophies down in black and white.

There are some classic examples to follow. Armco, to name one, set down its industrial relations policy in 1899. That's pioneering for you. And Armco, a steel company at that, has known no strike in its original plants since its policy was written. It did have difficulties in some plants it bought later, but even there, the Armco policy soon made itself felt.

Nowadays, companies don't have to grow up like Topsy. Conceivably, a company in process of formation should be able to write what its industrial relations policy is going to be before it ever gets into operation. The fundamentals of industrial relations are that well known.

Then, there is a brand-new influence at work toward this writing of company policies. On January 20, a new man goes into business in Washington. What has he been doing these past few months if not trying to write the policies of his business? Ike certainly seems to be moving away from the purely political operation of government that we've known for so many years. Sure he's been selecting his officers and other business associates. But, just as surely, he's been working toward a clear-cut statement of his administration's policies. His avowed aim is efficient, business-like government. That alone ought to stimulate businessmen into writing industrial relations policies.

Ever since the New Deal brought about changes in our laws, I have felt that business management would find a way to live successfully by laws written in the public interest and administered in the public interest. With the turn of the last few months, it now looks as though management will get clearance to operate under our laws for the benefit of the whole public. That means we have to look more and more to the establishment of industrial relations based on the prime objective of serving the public.

I think the writing of sound policies will help simplify employer-employee relationships and tend to make them the natural, ethical ones. The tendency to advance selfish interests through bargaining has too long been uppermost in the minds of factional leaders. My hope is that bargaining in the future will tend less to balance individual interests one against the other and more to finding a common goal. Employers and employees alike, we need to guard against cutting off our own noses.

For years now, labor and management have each been trying to set down their goals separately. The Twentieth Century Fund once identified "The Four Goals of Labor" as:

1. Security
2. A chance to advance
3. More human treatment
4. More dignity on the job.

At the same time, the Fund set down "The Four Goals of Management" as: ⟶

> "The formulation of a live industrial relations policy is only the beginning. You have to keep it alive. And don't think that job is ever going to end.
>
> "In the very nature of our industrial economy, no such policy can be static. Nor does an industrial relations policy stand apart from any other policy or policies a company may write. It is to be integrated with them."

"Communication among company personnel is not a telegram, it is a way of living. Every one of us here knows men and women who are so accustomed to that way of living that their communication practically takes care of itself."

1. The economic welfare of the company
2. Good relations with loyal employees
3. Freedom to manage
4. Businesslike, responsible relations.

If management and honest trade unionism try hard enough—and, believe me, there's a challenge to do so—we can bring those two sets of goals into closer harmony. Actually, they must shortly coincide if our country is to fulfill its role in human history.

I look forward to the time when the four goals of all industry personnel may be set down this way:

1. Identification with service to the public
2. The economic welfare of the company
3. Recognition of individual dignity and province in occupation
4. Preservation of our system of free enterprise and representative government.

Samuel Gompers said: "Labor and management are man and wife, and they've got to sleep together somehow." He regarded labor not as a bitter Marxist foe of capital, but as a partner of American management.

If we aren't partners, what are we?

The answer to that question may come the quicker and clearer with the more general formulation of good personnel policies. I am not just entering a plea for industrial relations policy. My major purpose is to ask recognition of the fact that industrial strife is a waste to all concerned. I mean the whole American public.

No citizen today can afford to bury his head in his own affairs. None dares remain blind to the need for protecting our nation's industrial potential in a time of world conflict, and against the foreseeable vast increases in world population.

In sum, I see the writing of industrial relations policy as conducive to production, which we must increase; profits, which we must maintain; personnel welfare, which we must enhance; and the potentials we must realize if industry and country are to endure.

No industrial relations policy you can bear in mind or put down on paper has any value whatsoever until it finds its way into the day-by-day relationships of company personnel. In our writing, let us guard against becoming so swamped in theories that all the rich human values of industrial relations are lost.

Here are the thoughts that I believe are basic:

Americans all, we draw life's satisfactions from our work. And never have those satisfactions seemed so limitless. The basic satisfaction is a work environment that recognizes the dignity of the individual and provides opportunity for advancement and security of employment, which lend one the feeling of participating in the enterprise. Unless management provides such environment for all of its people, great numbers will turn to leadership intent on collectivism or socialism, spelling ruin of our present American system.

That, to me, means it is the responsibility of business management, at all levels and in all walks, to strengthen its leadership. Strengthening our leadership calls for the kind of planning we expect of President Eisenhower, and the kind he expects of us.

Management's Number One Job:

Organization—To Coordinate People's Efforts

by Gwilym A. Price

President, Westinghouse Electric Corporation

LET ME BEGIN with a paragraph from the Sunday *New York Times* of December 27, 1952. It was written by that paper's top political columnist, Arthur Krock, and appeared under the headline "Businessmen's Cabinet Faces Political Test."

Mr. Krock wrote: "A while ago Paul Hoffman, commenting on the appointment of so many businessmen to General Eisenhower's cabinet, said this would constitute a public trial of the capacity of industrialists to remedy government faults of which they have complained increasingly since the advent of the New Deal. And Mr. Hoffman predicted that the people would give them only two years, or until the time comes to choose a House of Representatives and one third of the Senate in 1954, to demonstrate what they can do to minimize these flaws."

If, as usual, Mr. Hoffman is correct, the public is saying: "You businessmen have been bellyaching for twenty years; now let's see you do it better. And God help you if you don't."

Whether or not that is a fair attitude is beside the point. It is the way many people feel, and we will be hearing a good deal of such talk in the next few years. Business now has an increased burden of political responsibility, and has lost its onetime privilege—if that's what it was—of free and vociferous criticism of government. For new reasons, as well as all the old familiar ones, we businessmen right now need to put on the best performance we know how to give.

Our discussion is designed to outline the areas for informed and intelligent action in management's top job under the new administration.

Now there are some differences of opinion in the country on just what management's number one job actually is under the new administration. I think the business and industrial community, however, will have little difference of opinion on that point. The number one job is exactly what it has always been. It will be the same on January 21 as it was on January 19, the same in 1953 as it was in 1952, the same under General Eisenhower as it was under General Grant or General Jackson. That job is to give a good economic performance—to run a profitable enterprise.

A great deal depends on how well management continues to fulfill this primary responsibility. Wages and dividends depend on it. So, to a considerable degree, do our economic stability, our expansion of industrial capacity, the conversion of scarcity into ample supply, our national security, and the transcendent problem of world peace.

Satisfactory performance of our main job is dependent on many things. Of these, by far the most important is sound human relations in business, which in turn is dependent on the basic issues of policy, organization, and communication. Discussing only one phase of the topic, I will say now that business organization will be affected very little by the change of government on January 20. The requirements for good management are the same in any political atmosphere, favorable or unfavorable. The problems and the principles of sound organization of business are basic and unchanging.

If we take just a moment to define our subject, we find that organization is simply the structural element in business. It is a function of management, which is the planning, controlling and coordinating element. Management uses organization as a framework for getting essential coordination and control and for carrying out its plans. If the structure is soundly designed and put together, the work people do is divided into logical functions and combined into proper relationships. It is so assigned that people understand exactly what their responsibilities, authorities and duties are. The result is the efficient, economical and effective application of human effort toward the common goal of the enterprise.

These principles of organization have always obtained, but only in this century have we begun to analyze and understand them in terms of corporate enterprise. June, 1953, will mark the fiftieth anniversary of the famous speech on shop management in which Frederick W. Taylor laid the foundations of management engineering. Only in the past two decades has business widely applied the theories of scientific management, and only since World War II have we begun to do a continuous, creative, scientific job in human relations.

My own first consciousness of the need for and the

potentialities of organization in business came only after I had already been working as a trust officer for five or six years. Up to that time, all I knew of business organization was that there was lots of work to do, and if I kept my nose to the desk and worked plenty of nights, I might some day catch up with it. My first knowledge of such things as organization charts, job descriptions, work assignments, distribution of duties and clear-cut assignment of authority came in 1929 or 1930, when I attended a convention and heard a Cleveland banker tell how a trust department should be organized and managed. It came as a revelation.

In more recent years, qualified authorities have given us an extensive and valuable literature on organization planning. A philosophy of organization is being built and tested in thousands of applications. We now recognize that organization is essential to the performance of all our plans. We have learned that, given the proper goals and a sound organization, no enterprise is either too large or too small to escape the need or risk the lack of efficient internal administration.

Reading the postwar literature on the subject, I am struck by the amount of heated controversy among management engineers, analysts, university professors and other experts who write books and make speeches. I find that a fierce battle is going on between two schools of thought on organization principles. I gather that the advocates of each school trust the other about as far as you can push the Empire State building, and that they only nod when they meet at conventions and conferences. They remind me of the two ministers of different faiths. One day they had been arguing vigorously on some theological point, when one of them said: "All right. We'll just agree to disagree. The thing that counts is that we're both doing the Lord's work—you in your way, and I in His."

One group, known as the "formal" school, emphasizes reliance on the more technical aspects of organization. It stresses the importance of documentation, including precise and long definitions of the responsibility, authority and relationships of individual executives. It places great reliance on organization charts and manuals.

The other, "informal" school, has unlimited disdain

> "Establishing sound organization presupposes careful study of the company's own characteristics. It also involves painstaking study of available manpower, because sound organization must be built on respect for the individual. If an organization plan does not make it easier for people to work together productively, it should not be adopted."

> "Business organization will be affected very little by change of government. The requirements for good management are the same in any political atmosphere, favorable or unfavorable. The problems and the principles of sound organization of business are basic and unchanging."

for organizational documentation. Its members hold that people are the determinants of organization structure, and that they should be allowed full play without the restricting influence of functional statements and charts which strait-jacket the human element. They insist that if you create a climate for the exercise of initiative through unhampered freedom of action coupled with strong incentives and forceful leadership you have the key to good organization.

Each school tends to consider the views of the other as competitive, divergent, irreconcilable, incompatible, and, of course, wrong. Now, I have no desire to argue the merits of formalism versus informalism. My own experience leads me to believe that the controversy may have been settled without either side realizing it. As has often happened in history, the issue has probably run its course without either side winning a victory; and attention is shifting to newer issues even while the battle continues.

It would be difficult indeed to find a sizable company that is not using both formal and informal principles in its organization. American business, with its genius for synthesis—for combining separate and seemingly contrary elements into a complete entity—seems to be adopting the best of both the formal and informal schools. If that is so, the controversy between them is losing its meaning. With due deference, I suggest that the experts get together and chart the synthesis.

Actually, the concepts complement each other. Both are essential to good organization. And unless both are present, the character of the organization is distorted. We need a democratic management climate, strong incentives for good performance, and the other stimulants to individual initiative and imagination. We also need the basic framework for channeling human effort, a framework supplied by such formal documentation as policy manuals, work definitions, job descriptions, and organization charts—but not in such great detail as some I have seen.

We might compare corporate organization to a symphony orchestra. First, consider the performance of an orchestra in which the individual members have no scores, but are called upon to play on the basis of a generally agreed-on tune and to improvise their own instrumental embellishments with such directions as

they can get from the gestures of the conductor. I doubt if that performance would produce music worth hearing.

Now consider a performance in which each musician has a complete score but no conductor from whom he can take his direction, leadership and inspiration. That wouldn't be a very successful production either.

These two examples serve perhaps as caricatures of the excessively formal and the excessively informal types of business organization. The score of the orchestra is its essential documentation of organization. It tells each musician what is expected of him. But the score does not make a symphony any more than a chart makes an organization.

Without the conductor, the orchestra's performance would be chaotic, for he supplies those qualities necessary to make the musicians play in harmony and at the top level of their ability. Similar qualities of leadership must be present in the business enterprise, regardless of the extent to which its organization is technically defined and charted.

Good organization is both a science and an art, and it cannot be regarded as exclusively either. It must be documented to be fully successful, but its documentation should not be regarded as an end in itself. Nor should it be permitted to limit the free play of human ingenuity and ambition, which it is the purpose of organization to stimulate and marshal toward the achievement of the objectives of the business.

While everybody in management agrees, conversationally at least, that sound organization is both necessary and desirable, many recoil from doing the things necessary to establish what is universally regarded as desirable. Initially, it takes a lot of toil and sweat, perhaps some blood and tears. When applied to a going concern, reorganization almost certainly will cause hurt feelings and other unpleasantness. It is one of the many things easier to talk about than to do. Some managers are like the farmer who refused to buy a set of books on scientific agriculture because, as he said, "I don't farm half as good as I know how already." The indispensable factor in any organization plan, then, is the management's *will* to organize. Without that, there is nothing.

Establishing sound organization presupposes careful study of the company's own characteristics. It also involves painstaking study of available manpower, because sound organization must be built on respect for the individual. If an organization plan does not make it easier for people to work together productively, it should not be adopted.

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At all times, but particularly when changes are necessary, management must use the best it has in the way of human resources and knowledge of human nature. To reemphasize what most executives already know, let me say: be sure that objectives are known and understood, both in advance of an undertaking and at every following stage; be sure there is a maximum of clear explanation of why procedures are necessary and why the enterprise as a whole will benefit, even if some individuals seem to suffer. The boss has to be firm, but he doesn't have to be brusk or abrupt. Above all, he has to be fair—and fair in appearance as well as in reality.

The company president performs no administrative act more important than that of choosing and developing executive talent. One of his first concerns from the day he takes office is an orderly and effective succession to the first line of management. In the interest of continuity, he must see that qualified reserves are ready at all company levels to take over when their superiors move up and out. He must see not only that his young men are well chosen and properly trained, but that they are watched, tested, assessed, and challenged to realize their full capacities. This is one responsibility the top executive cannot entirely delegate.

The man who has to pick men looks for such qualities as integrity, imagination, industry, loyalty, courage, and patience—but this last only to the right degree and not beyond, for patience that degenerates into complacency or timidity can become ruinously expensive to a company. Subordinates have to be given time to make good, but they cannot be given eternity. Changing horses may prove unpleasant for the horses, but it is better than to risk the passengers or the cargo.

All of you have seen—in someone else's company, of course—examples of managerial weakness. There is the man who cannot delegate authority properly; the man who delegates too much and keeps too little track of what his lieutenants do; the man who steps over too far into the other fellow's bailiwick; the man who can follow but cannot lead, and the opposite number

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who can do plenty of leading but cannot follow or even team up.

All of you have been told, too, of the signs and symptoms of bad organization—dusty backlogs of paper work, production bottlenecks, fluctuations in work loads, neglected activities, executives swamped with detail and routine, excessive competition between cliques, overlapping and duplicated functions, uncertainty of authority and responsibility, and so many others. You all recognize the signs of good organization, which are the opposite of these, and carry with them the blessings of good morale and of harmony between individuals and groups.

Regardless of any other differences of opinion, organization analysts and practitioners all agree that too many American business enterprises have simply evolved in structure and consequently have no real organization plans; and that many others have outgrown their creaking and faulty organizational frameworks. "The number of industries continually and systematically studying their own organization structure," one authority declared recently, "is pitifully small," though he allowed it was increasing.

I have no way, of course, of judging this situation outside of my own circle. I feel, however, that the top management of American business will find it profitable to reexamine its basic attitudes, beliefs and accomplishments on this underlying issue of sound human relations in business.

American industry has expanded its capacity to produce by almost 90% since 1940. Companies that once employed 5,000 men now have almost that many serving as supervisors. To the three original and basic functions of manufacturing, finance and sales, we have added many new functions: research, public relations, safety, security, training, planning and control, and others.

Moreover, we now face new problems of government intervention and regulations, high taxes, national labor unions, conversion back and forth between wartime and peacetime operation, development and marketing of new products, multiplied competition, and incessant technological change.

The job of the head man has become harder. No top man can know all that is going on in his company, no matter how comprehensive the method of communication he has set up. No executive can keep in close and intimate touch with more than a limited number of subordinates, and no head of a sizable company can make himself accessible at all times to an unnumbered host of assistants. Trying to has killed men in business as well as in government; and it can kill companies, too.

In the face of past expansion and in view of continued future expansion, we may profitably remember the law of nature which rules that organization is indispensable to growth. "Beyond a certain point," said the naturalist Herbert Spencer, "there cannot be further growth without further organization." That law, I should say, applies to the corporate as well as to the animal and the social structure. If it does, nature apparently allows us no choice but to organize or to die.

Top management, if it wills to, can turn this requirement into an advantage and a benefit. Sound planning within the organization can enable it to solve the internal problems of the enterprise, and can help it to face the larger national problems of the months and the years ahead.

Management's Number One Job:

Communication—To Share People's Ideas

by Neil McElroy

President, The Procter and Gamble Company

IN RECENT YEARS the word "communications" has come to have a specialized meaning when it refers to the transmission of thoughts and ideas back and forth between company management and employees other than management. So that there may be no misunderstanding as to my use of the word in this talk, may I explain that, at least to me, communications refers both to the channels of transmission from management to employees and also to the use of those channels.

To separate the concept of communications from the over-all concept of employee relations is difficult. Communications means not only that information or statements are being passed from one person to another, but also that they are being received sympathetically. This in turn requires confidence in the person issuing the communication.

In order to help my own thinking on this subject, as part of this discussion, I naturally considered it in terms of the type of communications with which I am in most frequent contact, those at Procter and Gamble. If you will permit, I will share this thinking with you, using our company as the example with which I am most familiar, to illustrate my points. The examples I give will be drawn from communications in our manufacturing plants, but the same thinking is applied in other departments of our organization as well.

In discussing our company's practices, however, I want to emphasize this fact: We do not consider that our methods of operation are either the only way or the best way for other companies. But, since most of them have been in use for many years, we know that they work well for our business. I am pointing them out only with the thought that our experience may be interesting—certainly not in any attempt to lay down rules for others.

From time to time, some friendly business acquaintance says to us, "You don't seem to have much labor trouble at Procter and Gamble. I suppose that must be because of your excellent employee plans." Our honest answer to that sort of statement is that we consider our record due only in part to our plans. The greater share of the credit should go to our way of working with our people, in other words, our communications.

In our company, we try to treat communications not merely as a device of training or a novel program of visual education, but as the way we work with our people. After this point of view becomes consciously accepted, communicating becomes habitual, instinctive, throughout the organization. That is the ideal in communications toward which we are constantly striving.

It may be stating the obvious to say that the first requirement in communications is to have something good, sound and worthwhile to communicate in the shape of policies, beliefs and principles of management. We start with certain basic attitudes toward people, which have been part of our management thinking since the early days of our 115-year-old company. We want our employees to be fully aware of these attitudes, because we believe we will build confidence and mutual understanding to the extent that they know what these attitudes of ours mean.

We think of Procter and Gamble as a company of individual people, working together to serve the public by producing and marketing our products. We do not think of our people as "labor." With us, they are all individual men and women, with wants and desires—some reasonable and some not so reasonable. In our formal union relations, as in all our relations, we think of P & G employees as individuals, as people, and not as a large, homogeneous group. Like most of the better-thinking manufacturers in America, we have never held the commodity concept of labor.

To follow up this sort of thinking, we believe we have built a management organization to implement it. The supervisory group in our factories and offices are from their very first day trained to think of the individual employees who report to them as "their

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"We believe also that our ease of communication is helped by our policy of developing all levels of management from within our own group of employees. Practically every man in our company who has reached an executive position, minor or major, has reached his position after beginning his training at the bottom of his departmental ladder. Our workers know this and, accordingly, have a natural confidence in their immediate superviser because they know that he is a man who, like themselves, has grown up with the business. There is no strangeness here to handicap communications."

people." Top company management regards this as paramount. Starting with the foreman, we insist that each member of supervision be wholly responsible for that portion of the operation assigned to him. If men or women are to be trained, he trains them—not a training department. If questions are to be answered, he answers them. If company news is to be passed along, he tells it to his people. He is the company management to the people under him.

When we think of employees as individuals, we naturally study their reasonable human wants and desires in relation to this thing called "a job." As to wages, for more than thirty years we have followed the practice of seeing to it that the wages of our people are in line with those paid for similar types of work by the leading companies in communities in which we operate.

But an employee wants more than a good rate of pay: he wants steady work. We have felt, therefore, that we should do what we could to make it possible for an employee to look forward to steady employment.

Accordingly, since 1923, Procter and Gamble has guaranteed its regular factory employees (after a probationary period) forty-eight weeks of work per year, so long as the employee does his job. This guarantee has operated through a deep depression, a moderate depression and through a world war, during which our industry had to reduce production sharply. We have made good our assurance to our people that as long as they do their part, the company will provide steady work.

The adoption of our plan of guaranteed employment called for a radical revision of our selling, manufacturing and warehousing policies. While these changes were being effected, the organization went through difficulties which required careful thought and sound judgment to overcome. Every part of our business believed in the guarantee of employment and made the adjustments in its operations that were necessary to carry it through.

As we look back now over the thirty years during which the plan has been operating, we believe in it more strongly than ever. Not alone because of the assurance it provides our factory employees, but also because, by avoiding the peaks and valleys of production, which is implicit in this plan, we have been able to make maximum use of our manufacturing facilities, with all that that means in terms of avoidance of excessive capital investment and in lowering the cost of manufacture.

We are strong believers in our plan of guaranteed employment as far as our company is concerned, and we believe that our employees also regard this plan as most important to them.

Another one of our "basic attitudes," as I call them, toward employees, is that we believe that a man should be encouraged to become a part owner of the business and, through this ownership, make personal provision toward his own economic security. Shortly after 1887, when our first profit sharing plan was announced, we modified it to include a stock purchase feature. Today, every regular Procter and Gamble employee has the opportunity, after a probationary period, to acquire stock in the company. As a result, under one or another of our plans, well over 95% of these people have acquired, or are acquiring, a direct beneficial ownership in Procter and Gamble stock.

Here, too, I should point out that while profit sharing has worked with us for almost seventy years, we do not say that it will work equally well with other organizations. The fact, however, that it has worked well with us is due in no small measure to the way we have kept our employees informed as to its importance to them.

Still another of our basic attitudes toward employees is the belief in rewarding individual merit and ability wherever possible. Therefore, because some people naturally work harder than others, and turn out more production, or are more versatile or dependable, we believe they should benefit accordingly. So on jobs where output can be measured, extra production brings extra pay. Keeping the employee informed on this subject is most certainly a day-by-day job of communication.

Again, we believe in providing clean, safe conditions of work for our employees. Well over 5% of our factory personnel are directly concerned with the problems of cleaning up. This goes well beyond factory efficiency alone. It represents added health protection for our employees and is an indirect, but psychologically important indication to the employees that our insistence on top-quality products extends to the point of a superclean manufacturing plant.

Likewise significant of a deep belief in promoting the well-being of the individual is the fact that one of our larger plants recently worked 3,750,000 man-hours without a lost-time injury—a new world's record for the soap industry. That kind of a record calls

r more than safety training and a physical check-up utine; it calls for a close working relationship be-reen each employee and the man in direct charge ' him, toward the mutually desirable objective of .fe operation.

We believe in a man's right to be heard and his ·ght to express his wants and desires. Through the .edium of collective bargaining, employees have the pportunity to discuss wages, hours of work and ther working conditions with management. This has een true in our plants for more than thirty years—ng before the Wagner Act required it.

There are other points to our philosophy, such as hose relating to pensions, disability benefits, recrea-ion, and so on, but they all would be simply addi-ional illustrations of my first point: that in order to ave good communications, you must first of all have omething good, sound and worthwhile in the shape of olicies, beliefs and principles of management to com-nunicate.

Let's now turn briefly to how these ideas are com-nunicated. Throughout the business we place our reatest reliance on personal communication. I can ardly overemphasize our belief in face-to-face com-nunication between a man and his immediate boss is obviously being not only more personal and flexible n meeting the individual problems that come up with ach employee, but as being the most effective in erms of employee response and interest.

Our way of working with people makes personal communication relatively easier for several reasons. The nature of our business is such that we can have a relatively small number of employees reporting to any one foreman. In fact, on the average, only about fifteen people report to a foreman, and only about five foremen to a supervisor. Under such a plan, it is easy to know each other well. The man in charge of a group may know something about the home prob-lems, the worries, the hopes and ambitions of each of the men who are working with him in the same group. When a foreman knows his men as he should, he knows which man or men among them are the na-tural leaders whose influence he can count on in his day-to-day explanation and handling of new problems or policies. All of this works for better communication.

We believe also that our ease of communication is helped by our policy of developing all levels of man-agement from within our own group of employees. Practically every man in our company who has reached an executive position—minor or major—has reached his position after beginning his training at the bottom of his departmental ladder. Our workers know this and, accordingly, have a natural confidence in their immediate supervisor because they know that he is a man who, like themselves, has grown up with the business. There is no strangeness here to handicap communications.

With this close, natural, personal channel of com-munications set up, our main objective, then, is to let the employee know where he stands in relation to his own job, his pay, his stake in employee plans, and where he stands in relation to the business as a whole and his progress in it. In each of these, personal, man-to-man communication plays the greatest part.

By frequent talks between him and his foreman, we let the man know where he stands in reference to his job. (Keep in mind, here, that each foreman has about fifteen or fewer men reporting to him.) Through periodic merit ratings, the foreman explains to each man the weaknesses and strengths of his performance, and tells him how he can better himself to stand the best chance for a higher rate, or for promotion. These meetings, therefore, are not only bench marks against which progress can be measured, but they also offer material through which to recognize ability and merit. From this, of course, comes the next important step of giving everyone an opportunity to progress when there are vacancies within the organization.

Likewise, through his foreman, the employee learns where he stands with reference to his pay: how it is determined, what bonus for extra production he has earned, and so on, with daily reports on his accom-plishment.

When it comes to letting an employee know where he stands in reference to his stake in employee plans, we make greater use of what you might call "mechani-cal" or "visual" communication aids. But here, still, the foreman is fully in charge. He explains the plan with a sound slide-film to his small group of men. The mechanical device—the visual aid—is simply a tool of personal communication.

Similarly, our report to each employee at the end of each calendar year (a confidential sheet) is handed to each man by his foreman. It inventories his finan-cial position in the company, his last year's earnings, his take from the profit sharing plan, his equity in the retirement plan and so on. When the foreman delivers it, he encourages the man to talk about it—to ask questions about it. It is an excellent example of a printed communications tool which by its form and handling encourages an employee to come back for the

> "An employee doesn't have a sounding board of his own, like a magazine or a public address system or a bulletin board, which permits him to tell you what he thinks about or how he is reacting to what you are telling him. When you talk to him face-to-face, establishing an everyday personal relationship that after a time he expects, understands and likes, then he will feel free to let you know how you're getting your ideas over to him."

most important type of communication there is, personal discussion.

We believe that people are entitled to understand clearly the importance of their jobs in relation to the over-all scheme of things and how they can do their jobs in a way to contribute best to the success of the business. We stress, in all echelons, our belief that all decisions should be made on the basis of what is good for the business, with confidence that if the business moves ahead, all employees progress with it.

With this same thinking guiding us, you will find a considerable portion of our factory magazine given over to articles about the business and its products. You will find a considerable share of our instructional films accenting the general company good, even when the film is designed to explain an employee plan.

With this same thinking guiding us, too, we try to equip our foremen with sound answers to questions their men are likely to ask about the company, its products and its problems. At our dividend day meetings, which are held once a year in celebration of our profit sharing plan, talks by the plant superintendent and by members of top management from Cincinnati add to the knowledge of the employee and his wife about where the business is headed and how his job and his plant fit into the picture.

Then, besides telling him where he stands in relation to his job and the company, we try not to overlook the fact that he must always be considered as a normal human being and, consequently, as one who very probably will not always agree with us. He is fully entitled to misunderstand, to object, to question, and to receive proper explanation.

We insist that every foreman report to his supervisor on the way he handles all grievances. And this handling must be reviewed in addition by another plant executive. And may I say, the foreman who reports that he has no or few grievances is checked, for that is a condition foreign to human nature.

From this brief outline, you will realize that we lay a very great deal of emphasis, in our communcations, on personal contact, on personal training, on talk back and forth between the man in charge and the man who reports to him.

This does not mean that we do not use the more-or-less standard tools of communications. We do use them. Our color films to explain our plans are, we think, effective examples of this kind of educational device. Every employee, at the proper time, sees them. Likewise, sound slide-films are valuable in training when used, as I explained before, in small groups by a foreman. But films, magazines, booklets, bulletins and so on—important though they are—we consider as aids with which we underscore the type of communications upon which we place the greatest reliance in working with our people—personal communication.

When written communication is necessary, as in the year-end personal inventory report I mentioned, we stress the importance of the foreman and the employee discussing that report. Or when, for example, a new employee is told about his eligibility in profit sharing or guaranteed employment plans, we make sure that what is given him in printed form is explained to him man to man.

This emphasis on our part on the very great importance of personal communication, we believe, brings returns in two directions. As against the more formal or written handling, the informal, face-to-face individual communication permits the real "two-way" process we have heard so much about in theoretical discussions. It recognizes not only that the employee should learn about company matters that affect him, but that he should be given an opportunity to let management know what he thinks on these same subjects.

After all, an employee doesn't have a sounding board of his own like a magazine or a public address system or a bulletin board, which permits him to tell you what he thinks about or how he is reacting to what you are telling him. When you talk to him face to face, establishing an everyday personal relationship that after a time he expects, understands and likes, then he will feel free to let you know how you're getting your ideas over to him.

So you will see that we conceive of communications, essentially, as a way of working with our people. Good communications, with us, result from having something to communicate: sound policies, beliefs and principles of operation. Having that, we make use, wherever we can, of personal communication.

Sound policies, something worth while communicating, passed on to employees, and their reactions reflected back through man-to-man communication bring confidence and mutual understanding and a vigorous, cooperative operation. This kind of organization spirit provides the basis of a company's ability to take care of itself in today's and tomorrow's competitive drive for business—an ability that is good for employees, management, the stockholder and the public. And it offers the greatest opportunity for maximum production on which the future of America in the great international struggle so largely depends.

"We believe that people are entitled to understand clearly the importance of their jobs in relation to the over-all scheme of things and how they can do their jobs in a way to contribute best to the success of the business. We stress, in all echelons, our belief that all decisions should be made on the basis of what is good for the business, with confidence that if the business moves ahead, all employees progress with it."

Review of Labor Statistics

ALTHOUGH consumers' prices reached a new all-time high during 1952, the final month of the year found THE CONFERENCE BOARD's index only 0.4% above its December, 1951, level. A substantial decline in food prices pulled the index down 0.8% in December, bringing it to its lowest point in six months. Throughout the entire year, the index has varied within a range of less than three points, with increases outnumbering declines two to one.

The upward swing, which brought the index to its all-time peak, commenced in March, 1952, and continued through August. Food prices advanced steadily during this period and reached their all-time high in August, along with the all-items index. In this six-month period, the food index climbed from 234.4 (January, 1939=100) to 243.9, an advance of 4.1%; the all-items index rose from 177.7 to 182.6, an increase of 2.8%. Both of these indexes moved down in the succeeding two months, rallied somewhat in November, and then slipped back again in December.

Fuel, housing and sundries generally advanced throughout the last nine months of the year. In contrast to food, these components have been inching up during the past two years and no peak appears in sight. The clothing and housefurnishings indexes moved downward during most of 1952, but showed some slight signs of revival during the latter months of the year.

Food, clothing and housefurnishings showed decreases of 1.4%, 2.6% and 2.9%, respectively, from December, 1951, to December, 1952. During the same period, housing advanced 2.9%, and fuel and sundries both rose 3.1%.

Food prices dipped 2.2% between mid-November and mid-December, the largest decline since February. Marked declines were noted in prices of all meats and poultry included in the Board's index. Butter, eggs, lard, white potatoes, cabbage, green beans, bananas and oranges were all cheaper in December. Sweet potatoes, carrots, spinach, and apples were the only food items which registered increases over the month.

The housing index advanced 0.6% during the month. The largest increase occurred in New Orleans where the regular quarterly survey revealed an 18.1% rise since rents were decontrolled on September 30. Fuel and sundries advanced 1.2% and 0.2%, respectively, while clothing remained unchanged and housefurnishings dipped 0.1%.

The consumers' dollar was worth 0.7% more in December than in the preceding month. Its current purchasing value of 55.3 cents is 0.4% under the year-ago level.

WAGE ADJUSTMENTS

Thirty-three wage settlements that appeared in the press were confirmed by THE CONFERENCE BOARD during the past month. These settlements involved 137,000 employees. Half the firms reporting wage increases indicated that WSB approval was pending in whole or in part. Twenty-five of the settlements contained fringe benefits, and approval was still pending. Raises ranged from 1½ cents to 18 cents hourly, and from 1.2% to 10%. (See table beginning on page 61.)

REAL SPENDABLE INCOME OF FACTORY WORKERS

Real spendable income of factory workers has risen for the past three months. The peak since World War II was reached in November.

In mid-November the average single factory worker received weekly, after deductions of $12.95 for income and social security taxes, a total of $57.83. In 1939 dollars, his real spendable income in mid-November was $30.08, approximately the same as in the preceding month. This total is 5.6% above a year ago.

The real spendable income of the average factory worker with three dependents is estimated at $34.25 weekly—4.9% above November, 1951, and 3.3% greater than January, 1951.

TURNOVER RATES FOR NOVEMBER

Layoffs of factory workers in November were at one of the lowest rates since the end of World War II, according to preliminary estimates by the Bureau of Labor Statistics.

During November, manufacturing plants laid off approximately 8 workers per 1,000, the lowest rate for that month since 1947. The postwar low was 6 per 1,000 in July and August, 1950, just after the start of the Korean War.

The Bureau says the layoff rate for November was only half as high as it was a year earlier, when consumer goods industries were cutting payrolls because of overlarge inventories.

The most notable decrease in layoffs was reported by the apparel industry. Only 5 out of every 1,000 workers were dropped from payrolls in November. A year ago the layoff rate in this industry was as high as 49 per 1,000.

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Consumers' Price Indexes for Cities Surveyed Monthly

NOTE: *These indexes do NOT show intercity differences in price level or standards of living. They show only changes in consumers' prices in each city, which changes may be compared with those for other cities.*

City	Index Numbers Jan., 1939=100 Dec. 1952	Nov. 1952	Dec. 1951	Percentage Changes Nov. 1952 to Dec. 1952	Dec. 1951 to Dec. 1952
Birmingham					
Food	231.5	235.1	237.2	−1.5	−2.4
Housing[1]	160.9	160.9	152.4r	0	+5.6
Clothing	151.3	151.8	154.4	−0.3	−2.0
Fuel[4]	136.2	134.7	132.0	+1.1	+3.2
Housefurnishings	171.2	171.0	172.7	+0.1	−0.9
Sundries	154.3	154.3	149.7r	0	+3.1
Weighted total	177.3	178.3	176.3r	−0.6	+0.6
Boston					
Food	227.7	230.7r	227.6	−1.3	a
Housing[2]	129.2	129.2	124.6	0	+3.7
Clothing	141.8	142.2	140.5	−0.3	+0.9
Fuel[4]	180.0	175.4	167.8	+2.6	+7.3
Housefurnishings	156.1	155.6	162.8	+0.3	−4.1
Sundries	165.9	165.9	164.1	0	+1.1
Weighted total	179.3	179.9r	176.9	−0.3	+1.4
Chicago					
Food	245.9	251.3r	252.6	−2.1	−2.7
Housing[1]	136.7	136.7	129.9	0	+5.2
Clothing	146.4	146.3	151.1	+0.1	−3.1
Fuel[4]	120.6	119.1	117.9	+1.3	+2.3
Housefurnishings	159.8	159.8	161.8	0	−1.2
Sundries	176.4	176.4r	172.8r	0	+2.1
Weighted total	184.0	185.6	184.0r	−0.9	0
Denver					
Food	239.2	240.4r	240.7	−0.5	−0.6
Housing[3]	128.5	128.3r	128.2	+0.2	+0.2
Clothing	163.1	162.4	168.7	+0.4	−3.3
Fuel[4]	106.4	105.0	108.2	+1.3	−1.7
Housefurnishings	158.2	158.3	166.2	−0.1	−4.8
Sundries	159.6	159.5	155.7r	+0.1	+2.5
Weighted total	175.7	175.8r	175.8r	−0.1	−0.1
Detroit					
Food	248.4	250.4	249.2r	−0.8	−0.3
Housing[2]	134.1	134.1	130.2r	0	+3.0
Clothing	146.6	146.6	155.0	0	−5.4
Fuel[4]	161.8	161.9	159.7	−0.1	+1.3
Housefurnishings	167.9	168.9	171.2	−0.6	−1.9
Sundries	184.7	184.7r	177.9r	0	+3.8
Weighted total	187.2	187.8r	185.6r	−0.3	+0.9
Indianapolis					
Food	248.0	251.5	247.5r	−1.4	+0.2
Housing[3]	125.6	124.6r	123.1	+0.8	+2.0
Clothing	144.6	144.4	147.4r	+0.1	−1.9
Fuel[4]	162.3	162.3r	159.0	0	+2.1
Housefurnishings	159.1	158.2	160.4	+0.6	−0.8
Sundries	179.0	179.9	173.7r	−0.5	+3.1
Weighted total	184.0	185.0r	182.0r	−0.5	+1.1
Los Angeles					
Food	235.9	239.5r	241.2	−1.5	−2.2
Housing[1]	143.0	143.0	141.1	0	+1.3
Clothing	142.0	141.7	144.7	+0.2	−1.9
Fuel[4]	101.1	101.1	97.7	0	+3.5
Housefurnishings	160.1	160.4	166.0	−0.2	−3.6
Sundries	170.1	170.1	163.4	0	+4.1
Weighted total	178.5	179.5	177.9	−0.6	+0.3
New Orleans					
Food	248.1	252.6	246.7	−1.8	+0.6
Housing[3]	155.8	131.9r	130.8	+18.1	+19.1
Clothing	156.0	155.8	159.2	+0.1	−2.0
Fuel[4]	93.3	93.3	92.5	0	+0.9
Housefurnishings	171.6	172.9	175.8	−0.8	−2.4
Sundries	147.7	147.7	148.3	0	−0.4
Weighted total	185.6	183.7r	181.9	+1.0	+2.0
New York					
Food	223.3	230.7r	227.1	−3.2	−1.7
Housing[2]	107.8	107.8	105.8	0	+1.9
Clothing	151.9	152.0	155.5	−0.1	−2.3
Fuel[4]	140.8	138.1	133.8	+2.0	+5.2
Housefurnishings	164.9	164.5r	171.0	+0.2	−3.6
Sundries	177.2	175.8	173.9	+0.8	+1.9
Weighted total	174.1	176.3	174.5	−1.2	−0.2
Philadelphia					
Food	225.4	227.1	225.7	−0.7	−0.1
Housing[3]	117.8	117.6	117.4r	+0.2	+0.3
Clothing	143.1	143.0r	145.8	+0.1	−1.9
Fuel[4]	161.7	160.4	159.0	+0.8	+1.7
Housefurnishings	176.4	177.3	185.4r	−0.5	−4.9
Sundries	176.2	176.2	165.0r	0	+6.8
Weighted total	179.8	180.3	177.4r	−0.3	+1.4

Source: THE CONFERENCE BOARD.
[1] Rents surveyed January, April, July, October.
[2] Rents surveyed February, May, August, November.
[3] Rents surveyed March, June, September, December.
[4] Includes electricity and gas.
a Less than 0.1%
r Revised.

Consumers' Price Index for Ten United States Cities, and Purchasing Value of Dollar

Index Numbers, January, 1939 = 100

Date	Weighted Average of All Items	Food	Housing[1]	Clothing Total	Clothing Men's	Clothing Women's	Fuel[2] Total	Fuel Electricity	Fuel Gas	House-furnishings	Sundries	Purchasing Value of the Dollar
1951 December	178.8	236.7	120.3	152.1	168.9	138.0	133.0	89.8	103.7	169.9	170.3	55.9
Annual average	174.5	229.3	116.9	152.2	168.3	138.7	131.7	89.8	103.7	170.8	166.3	57.3
1952 January	179.0	237.5	120.9	151.2	167.3	137.5	133.1	90.0	103.7	168.6	170.1	55.9
February	176.3	230.7	121.1	150.1	166.3	136.5	133.0	90.0	103.7	168.3	169.0	56.7
March	176.7	231.0	121.2	149.8	166.0	136.1	133.2	90.0	104.3	167.0	170.1	56.6
April	178.4	234.3	121.4	149.7	165.8	136.1	133.3	90.0	104.9	166.9	172.1	56.1
May	178.9	236.6	121.5	149.4	165.2	136.1	130.6	90.0	104.8	165.5	172.2	55.9
June	179.0	237.0	121.5	148.8	164.7	135.4	130.9	90.0	104.8	165.0	172.3	55.9
July	180.4	239.8	121.7	148.5	164.6	135.0	131.7	90.0	104.8	164.3	173.6	55.4
August	180.8	240.6	122.0	148.2	164.3	134.7	132.9	92.2	104.8	164.5	174.0	55.3
September	179.9	237.7	122.1	148.4	163.7	135.5	133.7	92.2	104.8	164.5	174.0	55.6
October	179.8	236.5	122.7	148.1	163.8	134.8	135.3r	92.2	104.6r	163.6	174.4	55.6
November	180.6	238.3	123.3r	148.2	163.8	135.0	135.9r	92.0	104.6r	164.8r	174.5	55.4
December	179.3	233.3	124.1	148.2	163.8	135.1	137.6	92.0	104.6	164.7	175.0	55.8
Annual average	179.1	236.1	122.0	149.1	164.9	135.7	133.4	90.9	104.5	165.6	172.6	55.8
Percentage Changes												
Nov. 1952 to Dec. 1952	−0.7	−2.1	+0.6	0	0	+0.1	+1.3	0	0	−0.1	+0.3	+0.7
Dec. 1951 to Dec. 1952	+0.3	−1.4	+3.2	−2.6	−3.0	−2.1	+3.5	+2.4	+0.9	−3.1	+2.8	−0.2

[1] Rents surveyed quarterly in individual cities
[2] Includes electricity and gas
r Revised

Consumers' Price Indexes for Cities Surveyed Quarterly

City	Index Numbers Jan., 1939=100 Dec. 1952	Sept. 1952	Dec. 1951	Percentage Changes Sept. 1952 to Dec. 1952	Dec. 1951 to Dec. 1952
Cleveland					
Food	241.2	246.9r	239.0	−2.3	+0.9
Housing	125.3	120.5	119.6	+4.0	+4.8
Clothing	165.8	166.1	167.9	−0.2	−1.3
Fuel[1]	146.6	144.0	142.3	+1.8	+3.0
Housefurnishings	175.3	175.7	177.7	−0.2	−1.4
Sundries	180.3	179.9	175.1	+0.2	+3.0
Weighted total	184.6	185.2r	181.5	−0.3	+1.7
Des Moines					
Food	240.8	246.8	243.7	−2.4	−1.2
Housing	123.8	119.7	118.4	+3.4	+4.6
Clothing	161.6	162.1r	168.6	−0.3	−4.2
Fuel[1]	163.3	158.8	157.5	+2.8	+3.7
Housefurnishings	163.3	162.3	174.3	+0.6	−6.3
Sundries	163.5	163.8r	160.4	−0.2	+1.9
Weighted total	177.4	178.1	177.1	−0.4	+0.2
Huntington					
Food	225.2	228.0r	220.9	−1.2	+1.9
Housing	123.6	123.6r	123.1	0	+0.4
Clothing	150.7	150.4	154.8	+0.2	−2.6
Fuel[1]	117.5	117.5	113.8	0	+3.3
Housefurnishings	150.0	152.5	151.7	−1.6	−1.1
Sundries	170.6	170.9	168.9	−0.2	+1.0
Weighted total	175.2	176.2r	173.6	−0.6	+0.9
Kansas City					
Food	220.3	222.0	222.6	−0.8	−1.0
Housing	114.5	112.8	111.5	+1.5	+2.7
Clothing	157.1	158.0	163.3	−0.6	−3.8
Fuel[1]	130.5	127.6	128.7	+2.3	+1.4
Housefurnishings	151.7	152.4	155.5	−0.5	−2.4
Sundries	171.4	175.3r	164.2	−2.2	+4.4
Weighted total	170.9	172.3	169.5	−0.8	+0.8

City	Index Numbers Jan., 1939=100 Dec. 1952	Sept. 1952	Dec. 1951	Percentage Changes Sept. 1952 to Dec. 1952	Dec. 1951 to Dec. 1952
Lansing					
Food	225.7	229.3r	228.4	−1.4	−1.0
Housing	133.8	133.8	132.6	0	+0.9
Clothing	155.0	155.1	158.7	−0.1	−2.3
Fuel[1]	149.2	146.5	145.3	+1.8	+2.7
Housefurnishings	164.3	164.0	168.5	+0.2	−2.5
Sundries	179.3	179.5	178.6	−0.1	+0.4
Weighted total	185.4	186.2r	186.0	−0.4	−0.3
Milwaukee					
Food	247.6	256.7	253.9	−3.5	−2.5
Housing	178.6	178.6r	170.0	0	+5.1
Clothing	159.4	159.2	166.6	+0.1	−4.3
Fuel[1]	141.0	138.7r	138.7	+1.7	+1.7
Housefurnishings	176.6	176.9	182.1	−0.2	−3.0
Sundries	182.8	182.9	172.9	−0.1	+5.7
Weighted total	195.1	197.7r	193.6	−1.3	+0.8
Pittsburgh[2]					
Food	238.6	242.9r	237.1	−1.8	+0.6
Housing	140.9	140.4	140.0	+0.4	+0.6
Clothing	149.1	149.5	153.3	−0.3	−2.7
Fuel[1]	151.8	147.8	145.0	+2.7	+4.7
Housefurnishings	148.0	147.6r	156.5	+0.3	−5.4
Sundries	177.1	177.3	176.6	−0.1	+0.3
Weighted total	184.3	185.4	183.9	−0.6	+0.2
Portland					
Food	243.0	250.8r	248.4	−3.1	−2.2
Housing	142.5	141.3	134.8	+0.8	+5.7
Clothing	174.2	174.7r	179.9	−0.3	−3.2
Fuel[1]	151.4	144.1	143.1	+5.1	+5.8
Housefurnishings	153.0	151.3	154.3	+1.1	−0.8
Sundries	157.0	157.0	151.0	0	+4.0
Weighted total	182.0	183.7r	180.6	−0.9	+0.8

Source: The Conference Board.

[1] Includes electricity and gas.

[2] Pittsburgh surveyed Nov. 1951, Sept. 1952, Dec. 1952.

r Revised.

Percentage Changes in Indexes for Evansville

	Weighted Total Sept. 1952 to Dec. 1952	Dec. 1951 to Dec. 1952	Food Sept. 1952 to Dec. 1952	Dec. 1951 to Dec. 1952	Housing Sept. 1952 to Dec. 1952	Dec. 1951 to Dec. 1952	Clothing Sept. 1952 to Dec. 1952	Dec. 1951 to Dec. 1952	Fuel Sept. 1952 to Dec. 1952	Dec. 1951 to Dec. 1952	Housefurnishings Sept. 1952 to Dec. 1952	Dec. 1951 to Dec. 1952	Sundries Sept. 1952 to Dec. 1952	Dec. 1951 to Dec. 1952
Evansville, Ind.	−0.2	+1.0	−2.5	+1.5	+3.2	+4.0	+0.3	−2.3	+2.5	+1.4	0	−3.8	+1.1	+1.7

Consumers' Index for Thirty-nine Cities, and Purchasing Value of the Dollar

Index Numbers, January, 1939 = 100

Date	Weighted Average of All Items	Food	Housing[1]	Clothing Total	Clothing Men's	Clothing Women's	Fuel[2] Total	Fuel Electricity	Fuel Gas	House-furnishings	Sundries	Purchasing Value of the Dollar
1951 December	180.2	239.5	124.0	154.6	172.7	139.2	135.8	91.0	102.0	170.6	168.5	55.5
Annual average	176.2	232.5	120.8	155.0	172.6	140.1	134.4	90.9	101.4	171.7	164.5	56.8
1952 January	180.3	240.3	124.5	153.7	171.2	138.8	135.9	91.2	102.1	169.1	168.1	55.5
February	177.7	233.9	124.5	152.7	170.2	137.9	135.8	91.1	102.1	168.7	166.9	56.3
March	178.2	234.4	124.5	152.3	169.9	137.4	135.9	91.1	102.7	167.5	168.2	56.1
April	179.9	237.8	124.7	152.1	169.6	137.3	135.9	91.3	103.1	167.5	170.4	55.6
May	180.6	240.1	124.9	151.7	169.0	137.1	133.4	91.4	102.9	166.1	170.7	55.4
June	180.8	240.5	124.9	151.0	168.3	136.2	133.9	91.4	102.9	165.6	171.1	55.3
July	182.1	243.2	125.2	150.7	168.2	135.9	134.8	91.3	102.8	164.8	172.5	54.9
August	182.6	243.9	125.5	150.5	167.9	135.7	135.8	93.2	102.8	165.1	173.0	54.8
September	181.7	241.0	125.7r	150.8	167.4	136.6	136.3	93.0	102.9	165.1r	172.9	55.0
October	181.6r	239.9	126.3r	150.5	167.4	136.1	137.9	92.7	102.7r	164.4	173.2	55.1
November	182.3r	241.3	126.8r	150.6	167.4r	136.3	138.4	92.6	102.7r	165.7r	173.4	54.9
December	180.9	236.1	127.6	150.6	167.4	136.3	140.0	92.6	102.8	165.6	173.8	55.3
Annual average	180.7	239.4	125.4	151.4	168.7	136.8	136.2	91.9	102.7	166.3	171.2	55.3
Percentage Changes												
Nov. 1952 to Dec. 1952	−0.8	−2.2	+0.6	0	0	0	+1.2	0	+0.1	−0.1	+0.2	+0.7
Dec. 1951 to Dec. 1952	+0.4	−1.4	+2.9	−2.6	−3.1	−2.1	+3.1	+1.8	+0.8	−2.9	+3.1	−0.4

[1] Rents surveyed quarterly in individual cities

[2] Includes electricity and gas

r Revised

Significant Labor Statistics

Item	Unit	1952 Dec.	Nov.	Oct.	Sept.	Aug.	July	June	Year Ago	Percentage Change: Latest Month over Previous Month	Latest Month over Year Ago
Consumers' Price Index [1]											
All items	Jan. 1939=100	180.9	r 182.3	r 181.6	181.7	182.6	182.1	180.8	180.2	−0.8	+0.4
Food	Jan. 1939=100	236.1	l 241.3	239.9	241.0	k 243.9	242.2	j 240.5	239.5	−2.2	−1.4
Housing	Jan. 1939=100	127.6	r 126.8	r 126.3	r 125.7	125.5	125.2	124.9	124.0	+0.6	+2.9
Clothing	Jan. 1939=100	150.6	150.6	150.5	150.8	150.5	150.7	151.0	154.6	0	−2.6
Men's	Jan. 1939=100	167.4	r 167.4	167.4	167.4	167.9	168.2	168.3	172.7	0	−3.1
Women's	Jan. 1939=100	136.3	136.3	136.1	136.6	135.7	135.9	136.2	139.2	0	−2.1
Fuels	Jan. 1939=100	140.0	138.4	137.9	136.3	135.8	134.8	133.9	135.8	+1.2	+3.1
Electricity	Jan. 1939=100	92.6	92.6	92.7	93.0	93.2	91.3	91.4	91.0	0	+1.8
Gas	Jan. 1939=100	102.8	r 102.7	r 102.7	102.9	102.8	102.8	102.9	102.0	+0.1	+0.8
Housefurnishings	Jan. 1939=100	165.6	r 165.7	164.4	r 165.1	165.1	164.8	165.6	70.6	−0.1	−2.9
Sundries	Jan. 1939=100	173.8	173.4	173.2	172.9	173.0	172.5	171.1	168.5	+0.2	+3.1
Purchasing value of the dollar	Jan. 1939 dollars	55.3	54.9	55.1	55.0	54.8	54.9	55.3	55.5	+0.7	−0.4
All items (*BLS*)	1935–1939=100	a 191.0	a 191.6	a 191.5	a 194.1	a 192.3	a 192.4	a 191.1	a 190.0	−0.3	+0.5
Employment Status [2]											
Civilian labor force	thousands	62,878	63,646	63,146	63,698	63,958	64,176	64,390	62,688	−1.2	+0.3
Employed	thousands	61,480	62,228	61,862	62,260	62,354	62,234	62,572	61,014	−1.2	+3.1
Agriculture	thousands	5,696	6,774	7,274	7,548	6,964	7,598	8,170	6,378	−15.9	−10.7
Nonagricultural industries	thousands	55,784	55,454	54,588	54,712	55,390	54,636	54,402	54,636	+0.6	+2.1
Unemployed	thousands	1,398	1,418	1,284	1,438	1,604	1,942	1,818	1,674	−1.4	−16.5
Wage Earners [3]											
Employees in nonagricultural establishm'ts	thousands	p48,836	r 48,006	r 47,891	r 47,789	47,124	46,006	46,292	47,663	+1.7	+2.5
Manufacturing	thousands	p16,677	r 16,622	r 16,539	r 16,430	16,028	15,162	15,410	15,913	+0.3	+4.8
Mining	thousands	p 869	r 874	r 871	r 886	897	784	814	916	−0.6	−5.1
Construction	thousands	p 2,444	r 2,613	r 2,702	r 2,763	2,781	2,722	2,663	2,518	−6.5	−2.9
Transportation and public utilities	thousands	p 4,239	r 4,234	r 4,241	r 4,228	4,208	4,140	4,168	4,161	+0.1	+1.9
Trade	thousands	p10,878	r 10,301	r 10,105	r 9,970	9,784	9,792	9,838	10,660	+5.6	+2.0
Finance	thousands	p 1,979	r 1,972	r 1,968	1,971	1,993	1,993	1,977	1,912	+0.4	+3.5
Service	thousands	p 4,701	r 4,727	r 4,770	r 4,829	4,844	4,855	4,837	4,702	−0.6	i
Government	thousands	p 7,049	6,663	6,695	6,712	6,589	6,558	6,585	6,881	+5.8	+2.4
Production and related workers in manuf'g											
Employment											
All manufacturing	thousands	p13,487	r 13,447	r 13,378	r 13,285	12,886	12,061	12,329	12,911	+0.3	+4.5
Durable	thousands	p 7,778	r 7,709	r 7,583	r 7,444	7,146	6,559	6,888	7,322	+0.9	+6.2
Nondurable	thousands	p 5,709	r 5,738	r 5,795	r 5,841	5,740	5,502	5,441	5,589	−0.5	+2.1
Average weekly hours											
All manufacturing	number	p 41.8	41.2	41.4	41.3	40.6	39.9	40.5	41.2	+1.5	+1.5
Durable	number	p 42.7	r 42.0	42.2	r 41.9	41.0	40.2	41.2	42.2	+1.7	+1.2
Nondurable	number	p 40.7	r 40.2	40.3	r 40.4	40.0	39.5	39.5	39.9	+1.2	+2.0
Average hourly earnings											
All manufacturing	dollars	p 1.731	r 1.718	1.705	1.696	1.669	1.648	1.658	1.636	+0.8	+5.8
Durable	dollars	p 1.841	r 1.829	r 1.818	r 1.810	1.768	1.733	1.747	1.723	+0.7	+6.8
Nondurable	dollars	p 1.574	1.563	r 1.550	1.545	1.542	1.545	1.540	1.515	+0.7	+3.9
Average weekly earnings											
All manufacturing	dollars	p 72.36	r 70.78	70.59	70.04	67.76	65.76	67.15	67.40	+2.2	+7.4
Durable	dollars	p 78.61	r 76.82	r 76.72	r 75.84	72.49	69.67	71.98	72.71	+2.3	+8.1
Nondurable	dollars	p 64.06	r 62.83	r 62.47	r 62.42	61.68	61.03	60.83	60.45	+2.0	+6.0
Straight time hourly earnings											
All manufacturing	dollars	e 1.658	r 1.654	r 1.638	1.632	1.616	1.605	1.607	1.575	+0.2	+5.3
Durable	dollars	e 1.751	r 1.750	r 1.736	r 1.732	1.706	1.683	1.682	1.645	+0.1	+6.4
Nondurable	dollars	e 1.524	r 1.518	r 1.504	r 1.497	1.500	1.509	1.505	1.476	+0.4	+3.3
Turnover rates in manufacturing [3]											
Separations	per 100 employees	na	p 3.6	4.2	4.9	4.6	5.0	3.9	3.5	na	na
Quits	per 100 employees	na	p 2.2	2.8	3.5	3.0	2.2	2.2	1.4	na	na
Discharges	per 100 employees	na	p 0.4	0.4	0.4	0.3	0.3	0.3	0.3	na	na
Layoffs	per 100 employees	na	p 0.8	0.7	0.7	1.0	2.2	1.1	1.5	na	na
Accessions	per 100 employees	na	p 4.1	5.2	5.6	5.9	4.4	4.9	3.0	na	na

[1] The Conference Board
[2] Bureau of the Census
[3] Bureau of Labor Statistics

a Adjusted indexes: June, 189.6; July, 190.8; Aug., 191.1; Sept., 190.8; Oct., 190.9; Nov., 191.1; Dec., 190.7; Year ago, 189.1.
i Less than .05

j Based on food prices for June 16, 1952
k Based on food prices for August 13, 1952
l Based on food prices for November 12, 1952
na Not available at time of publication.

e Estimated
p Preliminary
r Revised

Wage Adjustments Announced Prior To January 15, 1953

Company	Type of Worker[1]	Increase Amount	Increase Date Effective	Increase Number Affected	Remarks
uilding Materials					
Flintkote Company .... Meridian, Miss.	WE	$.09 hr.	10-16-52	414	Raise followed expiration of old contract. Previous hourly minimum had been $1.13, effective 10-15-51. WSB approved raise, as well as 3rd week of vacation after 15 years' service. Contract tenure 1 year. (Woodworkers, CIO)
hemicals and Allied Products					
Diamond Chemical Company, Inc. .... New York, N. Y.	WE	See Remarks	See Remarks	*n.a.*	Following contract expiration, firm granted 5¢ effective 7-1-52. additional 5¢ effective 1-1-53. Minimum hourly wage had been 90¢. Contract expires 7-53. (Gas, Coke & Chemical Workers, CIO)
Union Carbide & Carbon Corporation Oak Ridge, Tenn.	WE	$.10 hr.	10-20-52	3,200	Raise resulted from new contract negotiation. Previous hourly minimum had been $1.29, effective 2-25-52. Approval pending for 8¢ of increase. Wage reopenings 7-15-53, 4-15-54, 1-15-55; contract tenure 3 years. (Gas, Coke & Chemical Workers, CIO)
	S	10%	10-27-52	1,100	Raise cannot be less than $25 a month, nor more than $45. Previous monthly minimum was $164, effective 10-29-51. WSB approval pending for 7% of increase. (No union)
lectrical Machinery, Equipment and upplies					
Emerson Radio Corporation .... Hoboken, N. J.	WE	$.07 hr.	7-1-52	1,700	Increase resulted from wage reopening in contract which expires 7-1-53. Previous hourly minimum had been $1.13, first effective 7-1-51. Firm also granted 3 days sick leave a year and increase of life insurance from $1500 to $2000, for both of which WSB approval has been received. WSB approval is pending for ¼¢-per-employee-per-hour fund for intraplant inequities based on 7-1-52 payroll, and 2¢ of the 7¢ increase. (IUE-CIO)
General Electric Company .... Danville, Ill.	WE	$.075 hr. approx.	9-15-52	640	Increase was approved by WSB. It equalled a 4.13% increase over the rate structure in effect during base period of 3-15-51. It is made up of a 2½% general increase, which, added to the 2½% increase of 9-15-51 (with a minimum of 3½¢), makes an increase of 5%, with a new minimum increase of 7¢ an hour. In addition, note a cost-of-living increase based on the old series BLS price index of 9-15-52, when compared to the 3-15-51 index which it replaced, and which substitutes for the cost-of-living adjustment effective 3-15-52. Firm also granted increased weekly accident and sickness insurance, increase in hospital expense insurance for special services, new provision for supplementary hospital benefits for physicians' attendance, and increase in maternity benefits, subject to WSB approval. Wage reopening 3-15-53; contract expires 2-54. (Auto Workers, AFL)
Interstate	WE	$.085 hr.	10-13-52	63,000	Increase was approved by WSB. It equalled a 5.27% increase over the rate structure in effect during base period of 3-15-51. It is made up of a 2½% general increase, which, added to the 2½% increase of 9-15-51 (with a minimum of 3½¢), makes an increase of 5%, with a new minimum increase of 7¢ an hour. Also note a cost-of-living increase based on the old series BLS price index of 11-15-52 when compared to the 3-15-51 index which it replaced, and which substitutes for the cost-of-living adjustment effective 9-15-51. Firm also granted increased weekly sickness and accident insurance, increase in hospital expense insurance for special services, new provision for supplementary hospital benefits for physicians' attendance, and increase in maternity benefits, subject to WSB approval. Wage reopening 3-15-53; contract expires 9-15-53 (IUE, CIO)
McCord Corp., Corcoran Division ... Washington, Ind.	WE	$.11 hr.	8-23-52	181	Increase preceded by expiration of old contract. WSB approval required for 9¢ of raise. New contract, which runs for 2 years, has arrangement for 4¢ an hour improvement factor. (UE, Ind.)

Company	Type of Worker[1]	Increase Amount	Date Effective	Number Affected	Remarks
Radio Corporation of America .... Philadelphia, Pa. RCA Victor Division	S	4.9%	6-23-52	826	Wage reopening in contract which expires 6-15-53 also granted revised pension plan and hospitalization coverage, both subject to WSB approval. Previous weekly minimum had been $64.62, effective 9-17-51. (Ass'n of Professional Engineering Personnel, Ind.)
Fabricated Metal Products					
American Saw and Tool Company, Inc. Louisville 1, Ky.	WE	See Remarks	9-1-52	See Remarks	Firm granted 15¢ an hour to 30 employees, 5¢ to 225. Previous hourly minimum for former group was $1.85, effective 9-1-51. Of latter group, hourly minimum for 30 employees was $1.25, effective 9-1-51; for the remainder it was $1.04, as of the same date. WSB approval pending for raise. Next wage reopening 9-1-54; contract tenure 5 years. (Int'l Ass'n Machinists, AFL)
Dresser Equipment Company .... Beaumont, Tex. Ideco Division	WE	5.9%	8-1-52	175	Raise followed expiration of prior contract, 7 week work stoppage. Minimum wage had been 93¢, first effective 5-18-51. Firm also granted reduction in required service for holiday benefits. WSB approval required for fringe benefit, 4.1% of general increase. Contract tenure 12 months. (Int'l Ass'n Machinists, AFL)
Pennsylvania Furnace & Iron Co. ... Warren, Pa.	WE	$.10 hr.	4-1-52	170	Prior to settlement hourly minimum had been $1.065, effective 6-11-51. Firm also granted 3 weeks vacation after 20 years service, increased insurance benefits amounting to approximately 2¢ an hour. Benefits subject to approval; 4½¢ was approved. Contract expires 7-1-53. (UE, Ind.)
Singer Manufacturing Company ..... Elizabeth, N. J.	WE	$.04 hr.	11-9-52	7,000	Contract expiration preceded raise. Previously, messengers' minimum had been $1.10, yard laborers' $1.43, effective 10-21-51. Contract expires 11-1-53. (IUE-CIO)
Food and Kindred Products					
Cudahy Packing Company .... Interstate	WE	$.04 hr.	10-27-52	7,317	Contract expiration, 3 week work stoppage preceded raise. Hourly minimum had been $1.31, effective 12-17-51. Firm also granted liberalized pension plan, group insurance and holiday plan, as well as increase in night shift differential. WSB approval is necessary for the pension and insurance plan. Wage reopenings 3-1-53; 3-1-54; contract expires 8-31-54. (United Packinghouse Workers, CIO)
	S	$.04 hr.	10-27-52	3,000	(No union)
Hulman & Company .... Terre Haute, Ind.	WE	See Remarks	6-24-52	See Remarks	After contract expiration, work stoppage from 7-22-52 till 9-8-52, firm granted 147 male employees 15¢ an hour, 64 females 8¢. Of these raises, 8¢ of former, 2¢ of latter are subject to WSB approval. Previous hourly minimums, effective 6-24-51, had been $1.27 for males, $1.095 for females. Contract expires 9-30-53. (Teamsters, Chauffeurs, Warehousemen & Helpers, AFL)
Terre Haute Brewing Company, Inc. Terre Haute, Ind.	WE	$.065 hr.	7-1-52	600	Previous hourly minimum had been $1.665, effective in 1950. Firm also granted Election Day as paid holiday. (Brewery, Flour, Cereal, Soft Drink & Distillery Workers, CIO)
	S	$2.50 wk.	7-1-52	35	(No union indicated)
Machinery—Except Electrical					
Morey Machinery Company, Inc. ... New York, N. Y.	WE	3%	10-6-52	300	Raise followed expiration of old contract, work stoppage from 9-19 to 10-6-52. Previous hourly minimum had been $1.20, effective 8-21-51. Firm also granted pension plan, beginning 8-1-53, $1000 life insurance to each employee, 3 weeks' vacation after 15 instead of 20 years, and united medical, surgical and hospitalization plan to replace previous one. WSB approved benefits. Contract runs 1 year to 8-20-53. (UE, Ind.)
Miscellaneous					
The Associated Press .... Interstate	WE	$2 to $4 wk.	11-5-52	1,557	Raise followed expiration of old contract. Previous minimum rate, effective 11-1-51, had been $35.50 for office boys, $53 for newsmen. The 20 year service period was reduced to 15 for 4 week vacations; night differential increased by 20%. WSB approved entire contract. Next wage reopening 11-5-53; contract expires 11-4-54. (Newspaper Guild, CIO)

Company	Type of Worker[1]	Increase Amount	Date Effective	Number Affected	Remarks
er and Allied Products					
entral Paper Company .... Muskegon, Mich.	WE	$.015 hr.	10-1-52	518	Increase resulted from wage reopening in contract which expires 3-31-53. In addition to raise, firm granted pension for employees over 70 with 10 or more years service. Previous hourly minimum had been $1.32. Raise and benefit subject to WSB approval. (United Paperworkers, CIO)
. Regis Paper Company .... Minnesota	WE	$.04 hr.	10-16-52	325	Raise followed expiration of previous contract. Employees were also granted program whereby company pays 60% of each employees' insurance cost, and Memorial Day was added as a paid holiday. WSB approved entire package. One wage reopening during term of contract which expires 8-15-53. (Pulp, Sulphite and Paper Mill Workers, AFL)
oleum and Allied Products					
an American Refining Corporation.. Texas City, Tex.	WE	$.15 hr.	5-27-52	1,650 approx.	Raise, shift differential increase, came about through wage reopening in contract which expires 7-1-54; was preceded by 27 day work stoppage. Previous hourly minimum had been $1.445, effective 3-3-51. Entire package awaiting WSB action. One wage reopening between 6-1-53 and 7-1-54. (Oil Workers, CIO)
	S	3.5%	5-1-52	400 approx.	Minimum monthly increase was $26. Previous monthly minimum salary had been $178, effective 12-26-51. (No union)
nary Metal Industries					
naconda Copper Mining Company .. Hastings-on-Hudson, N. Y.	WE	$.08 hr.	10-12-52	1,100	Raise followed contract expiration. Company also granted standard pension agreement, subject to WSB approval together with raise. Next wage reopening 10-12-53; contract expires 10-12-54. (UE, Ind.)
evere Copper and Brass Corporation Detroit, Mich.	WE	See Remarks	See Remarks	800	After an 8 week work stoppage, an 11¢ an hour increase was put into effect as of 10-15-51; an additional 2¢ an hour as a cost-of-living increase became effective 9-1-52, while a productivity allowance of 4¢ an hour was added 10-15-52. An escalator clause went into effect 9-1-52. WSB approval was obtained for the above, and also for a reduction of from 20 to 15 years for the period required for 3 weeks' vacation pay. WSB approval is required for an increase of disability insurance benefits from $26 to a range of $26-$30, based on half of the average weekly earnings. The contract expires 10-15-53. (UAW-CIO)
aylor-Wharton Iron & Steel Company Easton, Pa., High Bridge, N. J.	WE	$.12 hr.	10-13-52	957	Contract expiration, 6 week stoppage commencing 9-1-52 preceded raise, shift differential increase, and liberalized vacation program, subject to WSB approval. Previous hourly minimum had been $1.19, effective 7-3-52. Wage reopening 10-1-53; contract expires 8-31-54. (United Steelworkers, CIO)
	S	See Remarks	*n.a.*	100	An equivalent increase will be applied under Salary Stabilization Regulation 1, Section 41. (No union)
nting, Publishing and Allied Products					
ational Carbon Coated Paper Co. .. Sturgis, Mich.	WE	$.02 hr.	10-20-52	275	Increase, which is cost-of-living adjustment, followed expiration of old contract. Previous hourly minimum had been $1.21, in effect since 1-1-52. Firm also granted 2 additional holidays, liberalized vacation and insurance plans, for which WSB approval is pending. Wage reopening once during contract year which expires 9-1-53. (United Paperworkers, CIO)
	S	1.2%	*n.a.*	60	Previous weekly minimum had been $38, effective 1-1-52. (No union)
fessional, Scientific and Controlling truments					
agle Signal Corporation .... Davenport, Ia.	WE	See Remarks	See Remarks	154	Following contract expiration, work stoppage 10-22 to 10-27-52, firm granted 5¢ an hour effective 7-1-52, 3¢ 10-1-52. Effective latter date, too, certain skilled trades received ½¢ inequity pay. Half of 8¢ total excluding inequity subject to WSB approval. Cost-of-living will be adjusted every 6 months, beginning 1-1-53, but will not go below present wage. Contract expires 7-1-54. (UE, Ind.)
	S	$.05 hr.	7-1-52	34	Two cents of raise is subject to WSB approval. (No union)

Company	Type of Worker[1]	Increase: Amount	Increase: Date Effective	Increase: Number Affected	Remarks
Public Utility					
Illinois Bell Telephone Company State Area Traffic Dep't	WE	See Remarks	6-22-52	See Remarks	Following 60 day notice of desire to modify agreement, firm granted weekly increase ranging from $3 to 6,175 employees, $3.50 to 677, $4 to 4,217 employees. Previous minimum weekly rate in Chicago was $39, effective 12-24-50. Raise averaged $3.89; 50¢ is subject to approval. Contract runs until terminated by 60 days' notice after 4-22-53. (Communications Workers, CIO)
Missouri Telephone Company .... Missouri	WE	$.0869 hr.	9-1-52	63	Raise came when contract expired, and was renegotiated. Previous hourly minimum was 90¢, effective 9-1-51. Firm also granted modification of service assistant and shift differentials, severance plan, compensation for Sunday time worked, and call-in pay. Fringe benefits and raise received WSB approval. Contract expires 8-31-53. (Communications Workers, CIO)
Retail Stores					
Gilchrist Company .... Boston, Mass.	WE	$1.50 wk.	7-1-52	800 approx.	Raise followed expiration of old contract. Previous weekly minimum, first effective 7-1-51, had ranged from $26.50 to $21. Firm also granted 4 paid holidays, incentive plans in certain areas, step rate ranges on increased number of jobs. Raise automatically approved under cost-of-living clause; holidays and incentive plans subject to WSB approval. Wage reopening 7-1-53; contract expires 6-30-54. (Retail Clerks International Association, AFL)
Milwaukee Retail Furniture Association Milwaukee, Wis.	WE	$.18 hr.	12-8-52	94	Following contract expiration, work stoppage 12-1,2, firm granted raise, guaranteed 40 hour week. Raise is subject to WSB approval. Contract runs 1 year to 8-1-53. (Teamsters, Chauffeurs, Warehousemen & Helpers, AFL)
Rubber and Allied Products					
Armstrong Cork Company .... South Braintree, Mass.	WE	$.07 hr.	10-11-52	650	Contract expiration, 7 week work stoppage preceded wage adjustment. Prior to settlement hourly minimum had been $1.30 effective 9-24-51. Company also liberalized vacation program, paid full cost of group life, accident, health insurance and hospitalization plan, instead of previous 50%. WSB approval required for fringe benefits, 4.5¢ of raise. Wage reopenings 4-11-53, 1-11-54; contract expires 8-26-54. (Rubber Workers Federal Labor Union, AFL)
Goodyear Tire & Rubber Company.. Interstate	WE	$.10 hr.	8-8-52	25,000	Contract allows for opening before expiration 2-10-53. WSB approval is required for approximately 5¢ of raise. Prior to settlement, male workers received $1.37, and females $1.22, as of 8-27-51. To reopen contract, 30 day notice by either party is required. Salaried employees received same rate of increase. (Rubber Workers, CIO)
Stone, Clay and Glass					
Edgar Brothers Company .... McIntyre, Oconee, Ga.	WE	$.05 hr.	10-1-52	285	Raise followed expiration of old contract, received WSB approval 11-18-52. Previous hourly minimum had been 95¢, first effective 4-1-52. Contract tenure 1 year. (Cement, Lime & Gypsum Workers, AFL)
United States Lime Products Corp. .. Sloan, Nev.	WE	$.085 hr.	10-1-52	40	Under previous contract, hourly minimum had been $1.37, first effective 1-1-52. Firm also raised from 4 to 6 the number of paid holidays at straight time if not worked, at double time if worked. Shift differentials rose from 4¢ and 6¢ to 6¢ and 9¢. The fringe benefits and 5¢ of raise are subject to WSB approval. Next wage reopening after 4-1-53; contract expires 10-1-53. (Cement, Lime & Gypsum Workers, AFL)
Transportation					
San Diego Transit System .... San Diego, Calif.	WE	See Remarks	9-1-52	See Remarks	Following expiration of old contract, firm granted 10½¢ an hour to 163 employees, 21¢ to 540. WSB approval required and granted for 5½¢ of first-mentioned raise, for 4¢ of second, also for increase of pension maximum from $100 to $125, including Social Security. Wage reopenings for both groups in 1 year; contract tenure 1 year. (Int'l Bro. of Electrical Workers, AFL; Ass'n of Street, Electric Railway & Motor Coach Employees, AFL)
	S	$20 mo.	11-1-52	89	(No union)

WE, wage earner; S, salaried employee.
n.a., not available.